

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3309 – HB 3710

April 5, 2010

**SUMMARY OF AMENDMENT (016300):** Adds language to the original bill. Requires that students only in grades four through eight show grade-level proficiency for the purposes of promotion, either through a standardized test score or their grades on coursework. Retains the original bill's prohibition of the promotion of students unless proficiency is demonstrated.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$1,950,000/One-Time  
\$172,478,200/Recurring

Increase Local Expenditures - \$86,239,000/Recurring\*

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$67,655,200**

**Increase Local Expenditures - \$33,827,600\***

Assumptions applied to amendment:

- According to the Department of Education's 2008-2009 Annual Statistical Report, approximately 4,409 students in grades four through eight were retained and approximately 356,078 were promoted.
- It is estimated by DOE that approximately five percent of those that are currently being promoted will fail (17,804). The 17,804 students will be additional average daily membership (ADM) within the BEP formula.
- The BEP generates approximately \$5,700 per ADM with approximately \$3,800 in state dollars and approximately \$1,900 in local match.
- The total increase in state BEP expenditures will be approximately \$67,655,200 (\$3,800 x 17,804).

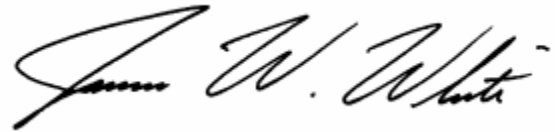
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- The total increase in local BEP match expenditures will be approximately \$33,827,600 (\$1,900 x 17,804).
- No increase in state expenditures for developing additional exit exams.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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